

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 73 - SB 739

April 8, 2021

**SUMMARY OF ORIGINAL BILL:** Requires the Department of Education (DOE), in coordination with the Department of Mental Health and Substance Abuse Services (DMHSAS), to annually submit a report to the Education Committees of the Senate and House of Representatives regarding state-funded mental and behavioral health services available to elementary and secondary school students by December 31<sup>st</sup> of each year.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (006876):** Deletes all language after the enacting clause and rewrites the bill. Establishes the "K-12 Mental Health Trust Fund Act" (Act). Establishes the "K-12 Mental Health Endowment Fund" to be administered by the State Treasurer. The fund is made up of two accounts, the K-12 Mental Health Endowment account and the K-12 Mental Health Special Reserve account. Establishes the State Treasurer, the Comptroller of the Treasury, the Secretary of State, and the Commissioner of Finance and Administration as trustees of the fund. Authorizes the trust to be funded subject to appropriations with 90 percent of the initial deposit going to the K-12 Mental Health Endowment account and 10 percent in the K-12 Mental Health Special Reserve account. The funds in these accounts are available to the Department of Mental Health and Substance Abuse Services, in consultation with the Department of Education, for mental or behavioral health services for K-12 students. All unused funds stay within their respective account.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Revenue - \$225,000,000/FY21-22/

K-12 Mental Health Endowment

\$25,000,000/FY21-22/

K-12 Mental Health Special Reserve

Increase State Expenditures - \$250,000,000/FY21-22/General Fund

Assumptions for the bill as amended:

- According to the Department of Treasury, any increased expenditures with regard to personnel or other costs associated with administering the fund will be covered by an administrative fee charged against the accounts created in the proposed legislation.
- The Governor has announced plans to allocate \$250,000,000 to the Mental Health Trust Fund in FY21-22. Of this, 90 percent or \$225,000,000, will be deposited in the K-12 Mental Health Endowment ( $\$250,000,000 \times .90$ ). The remaining 10 percent, or \$25,000,000, will be deposited in the K-12 Mental Health Special Reserve ( $\$250,000,000 \times .10$ ).
- Any amount allocated to students or schools from these accounts is not estimated to affect the basic education program (BEP) funding formula.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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